

# **A Resolution**

**NO. 3624-06-2008**

## **CREATING AND APPOINTING MEMBERS OF THE TRUST ADVISORY COUNCIL FOR THE FORT WORTH PERMANENT FUND AND ACKNOWLEDGING THE APPOINTMENT OF THE INITIAL CHAIR AND VICE CHAIR OF THE TRUST ADVISORY COUNCIL**

**WHEREAS**, natural gas drilling, production and pipeline revenues derived from the Barnett Shale are projected to produce significant and unique financial benefits for the City of Fort Worth (the "City") during the next 20 years; and

**WHEREAS**, gas well drilling, extraction and production activities in the Barnett Shale have and will continue to result in major economic benefits for the City and the region; and

**WHEREAS**, revenues from the one time gas lease bonuses and royalty collection on City property are significant but they are also a volatile and unpredictable source of revenue subject to the variability of gas well production levels, commodity market prices, gas use levels and the pressures of ever increasing costs of extraction; and

**WHEREAS**, Barnett Shale gas production is a finite resource and as a result production revenue and tax revenue from the extraction of natural gas from the Barnett Shale are predicted to diminish over time; and

**WHEREAS**, tax revenues have risen as a result of the increases in the property valuations of the real property mineral estates and these valuations can be expected to elevate initially as the production of gas increases in future phases of the Barnett Shale development but will eventually decrease as the finite amount of gas is extracted; and

**WHEREAS**, the City Council, on behalf of current and future generations has expressed its commitment, intent and desire to take full advantage of this unique opportunity to maximize the value of this one time revenue windfall for the current and perpetual benefit of all Fort Worth citizens; and

**WHEREAS**, on January 8, 2008, the City Council adopted amendments to the Gas Well Revenues Distribution Policy of the City of Fort Worth Financial Management Policy Statements, establishing a trust fund, setting procedures for distribution and allocation of revenues derived from gas well bonus and royalty lease revenues and ad valorem tax revenues in M&C G-16013; and

**WHEREAS**, the goal of the trust fund is to produce income from investments and be a long-term source of revenue for the benefit of both present and future citizens of Fort Worth; and

**WHEREAS**, as set forth in M&C G-16013, the trust fund will be managed by a corporate trustee appointed by the City Council (the "Trustee"); and



**CITY OF FORT WORTH**

**RESOLUTION NO. 3624-06-2008**

**WHEREAS**, the Trustee, in close cooperation with the Trust Advisory Council, will recommend to the City Council distribution procedures for the different funds of the trust consistent with the goal to preserve, as well as increase, the principal of the trust fund; and

**WHEREAS**, as set forth in M&C G-16013, a nine member citizen advisory board with its members having knowledge of financial control systems and procedures and the ability to evaluate the effectiveness of allocation and investment decisions, are to be appointed by the City Council to serve as the Trust Advisory Council, serving in Places 1 through 9; and

**WHEREAS**, the Trust Advisory Council members shall serve as financial guardians of the trust ensuring fiscal stability, monitoring fund performance, and determining the amount of funds available for disbursement annually with its members having experience in perpetual fund management; and

**WHEREAS**, as set forth in M&C G-16013, the Chair and Vice Chair of the Trust Advisory Council are to be appointed by the Mayor;

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FORT WORTH, TEXAS, THAT:**

1. A Trust Advisory Council is hereby established, consisting of nine members as follows:

<u>PLACE</u>	<u>NAME</u>	<u>EXPIRATION OF TERM</u>
1	Homer Dowd	May 31, 2011
2	Andrew Rosell	May 31, 2010
3	Pat Evans	May 31, 2011
4	Ron Casey	May 31, 2010
5	Bert Williams	May 31, 2011
6	John Robinson	May 31, 2010
7	Linda LeBeau	May 31, 2011
8	Arveda Lewis	May 31, 2010
9	Thomas P. Lang, Jr.	May 31, 2011

2. Contemporaneously with the adoption of this Resolution, the Mayor hereby appoints Homer Dowd to serve as Chair of the Trust Advisory Council and John Robinson to serve as Vice Chair of the Trust Advisory Council for terms expiring May 31, 2009.
3. As set forth in M&C G-16013, the Trust Advisory Council is charged with considering and making recommendations to the Trustee and the City Council on gas well revenue management strategies and issues to ensure fiscal stability of the trust fund, monitor the trust fund performance, recommend annual disbursements to the City and recommend fund management decisions. The City Council shall have the right at any time to adopt or amend bylaws for the Trust Advisory Council that specify additional duties and obligations of and procedures to be followed by the Trust Advisory Council.



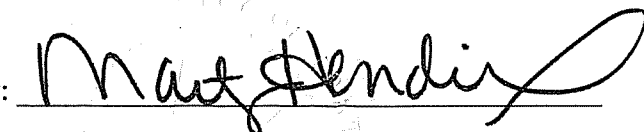
**CITY OF FORT WORTH**

**RESOLUTION NO. 3624-06-2008**

Approved this 10th day of June 2008.

ATTEST:

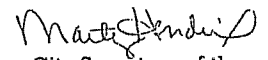
By: \_\_\_\_\_

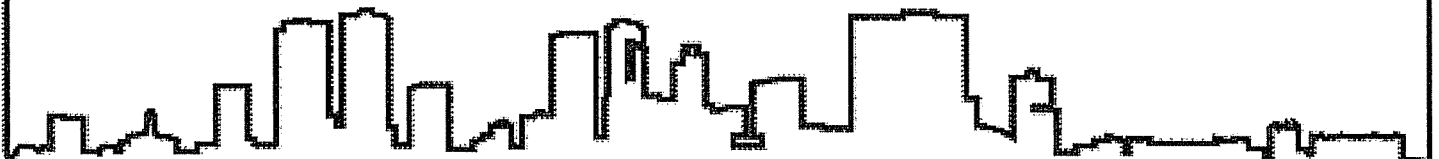


Marty Hendrix, City Secretary

APPROVED  
CITY COUNCIL

JUN 10 2008

  
City Secretary of the  
City of Fort Worth, Texas



**CITY OF FORT WORTH**